

Documentation of Control Procedures
Part I - To Be Completed by Governmental Unit

Department: Town of Toddville

Engagement Period: January 1, 2016 to December 31, 2017

Questionnaire completed by:

Name	Title	Date
Susan Gordon	Clerk-Treasurer	June 13, 2018

Instructions to Unit: Complete the tables below. In table I, please indicate all employees involved in the financial record keeping process including those involved in receipting, disbursing (including payroll), and balancing of the cash funds. (Note: It will be necessary to have the governing board listed as an employee if they are involved in the approval processes.) In table II, please place a "1" in the proper column that corresponds to the employee(s) who has the primary responsibility to complete the duty and a "2" for any employee(s) in which this may be a secondary responsibility. Please add lines as needed to include more employees or more duties that may be applicable to your governmental unit.

Table I

Employee

1. Susan Gordon (Clerk-Treasurer)
2. Todd Caldwell (Deputy Clerk-Treasurer)
3. Charlie Pride (Utility Office Manager)
4. Paul Joyce (Town Manager)
5. Town Council
- 6.
- 7.
- 8.
- 9.
- 10.

Table II

Duties	1	2	3	4	5	6	7	8	9	10	N/A
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Cash Receipts

1. Open mail and write receipt
2. Receive money, issue official receipts
3. Take off cash register totals
4. Balance cash drawer or cash register
5. Make up bank deposits
6. Take deposits to bank or remit to receiving officer
7. Post receipts
8. Access to computer system to make adjustments
9. Approves adjustments
10. Post credits to accounts receivable
11. Prepare customer billings
12. Mail billings or statements
13. Approve bad debt write offs
14. Approve accounts receivable adjustments
15. Issue permits, licenses, etc.
16. Issues receipts for electronic deposits

3	1	2									
1	3	2									
	2	1									
	2	1									
2	1										
1	1										
2	1	3									
1											
2					1						
2	1										
	2	1									
	1	2									
					1						
2					1						
2				1							
2	1										

Cash Disbursements

1. Authorize purchases
2. Prepare purchase orders
3. Certify receipt of goods or services
4. Audit claims
5. Approve claims - Disbursing Officer
6. Approve electronic transfers
7. Write checks
8. Initiate electronic transfers
9. Post checks
10. Sign checks - Control of signature stamp
11. Mail or distribute checks
12. Custodian of petty cash
13. Custodian of investments
14. Access to check stock
15. Access to computer system to make adjustments
16. Approves adjustments

1				2						
										n/a
1	2									
1			2							
1	2									
1	2									
1	2									
1	2									
1	2									
1	2									
	1	2								
1	2									
2	1									
1										
2				1						

Payrolls

1. Post vacation and sick leave records
2. Check and extend time cards
3. Prepare payroll claims
4. Approve payroll claims for department
5. Approve payroll claims for disbursing officer
6. Calculate deductions and net pay
7. Write payroll checks
8. Sign payroll checks
9. Distribute payroll checks
10. Prepare earnings and deductions reports
11. Prepare W-2s and compare to earnings records
12. Access to computer system to make adjustments
13. Approves adjustments

2	1									
2	1									
1	2									
1				2		2	2			
1				2		2	2			
1	2									
1	2									
1	2									
1	2									
1										
1	2									
2				1						

Cash

1. Receives bank statement in mail and opens it
2. Compares checks cleared to disbursements posted
3. Compares deposits to receipts posted
4. Prepares bank reconciliation
5. Approves bank reconciliation

1	2									
1	2									
1	2									
1										
1										

Financial Close and Reporting

1. Closes the financial records
2. Enters financial statement information into Gateway
3. Approves the Gateway annual report
4. Approves the prepared financial statements

1	2									
1										
1			2							
2				1						

Notes to the Financial Statements

1. Enters the required information into Gateway
2. Approves the notes to the prepared financial statements

1	2									
1				1						

Statement of Expenditures of Federal Assistance

1. Enters grant information into Gateway
2. Approves grant information entered in Gateway
3. Approves the prepared SEFA

1										
1			2							
1			2							

UNDERSTANDING THE DESIGN AND IMPLEMENTATION OF
INTERNAL CONTROLS – ENTITY LEVEL
Page 1 of 2

PART I – TO BE COMPLETED BY UNIT OFFICIAL

Questionnaire completed by:

Name	Title	Date
Susan Gordon	Clerk-Treasurer	June 13, 2018

CONTROL ENVIRONMENT

1. Communication and enforcement of integrity and ethical values:

- a. What action is taken to address departures from approved policies or unacceptable conduct that might create errors on the accounting records?

Meet with staff, both one-on-one and as a group, to discuss policy and procedures as well as implement a measure to ensure the errors are not made a second time.

- b. If fraud is alleged, what does management or the governing body (board) do to investigate the allegation, take appropriate and consistent actions against violators, and assess how relevant controls could be improved?

Clerk-Treasurer or Utility Office Manager would approach board with issue. Board would meet with individual involved and communicate information with Town Attorney, Clerk-Treasurer and/or Utility Office Manager. Clerk-Treasurer would report issue to SBOA. Controls would be adjusted to prevent future violations.

2. Commitment to competence:

- a. What background, education, and experience do accounting personnel have that assist them with their duties?

Clerk-Treasurer – 1-plus years of office experience. Degree from Ball State University. Attends SBOA and ILMCT courses when possible.
Utility Office Manager – 18-years of office experience. Attends SBOA and ILMCT courses when possible.
Utility Clerk (2) – On-site training and attends continuing education courses when possible.

- b. What training do employees receive to help them maintain their accounting and financial reporting competencies?

SBOA/ILMCT classes when offered as well as software training courses when offered.

3. Participation of those charged with governance (board):

- a. How does the governing body (board) oversee the activities of management that are related to financial reporting (what oversight does the board give on the accounting records?)

Clerk-Treasurer provides monthly bank statement reconciliation to council/utility board president for review. This started in 2018 as a way to improve internal controls. Council reviews claims prior to meetings and claims are approved before payment is issued on most claims. Town has an ordinance allowing for payment of certain claims. Council requires three (3) quotes for major purchases.

Part I - Questionnaire

Questionnaire completed by:

Name	Title	Date
Susan Gordon	Clerk-Treasurer	June 13, 2018

General Information

Name of City/Town:	Town of Toddville		
City/Town's address:	123 Main Street, Toddville, IN 46123		
City/Town's website:	www.toddvilleusa.in.gov		
Primary contact:	Susan Gordon	Email address:	clerk@toddville.in.gov
Telephone number:	317-232-2513	Fax number:	(317) 123-4567

Structure and Governance

1. The primary activities, programs, and services of the city/town are: (Strike through or delete any that don't apply.)
 - a. General Government
 1. Planning and Zoning Activities
 2. ~~Providing a judicial system which is primarily responsible for handling traffic violations~~
 3. Overall administration of the unit
 - b. Public Safety
 1. Law Enforcement
 2. Fire Protection
 3. ~~Protective Inspection~~
 4. ~~Probation~~
 - c. Street Maintenance
 - d. Sanitation Services
 - e. Recreation facilities and programs
 - f. ~~Urban Redevelopment and Housing~~
 - g. Promotion of Economic Development
 - h. ~~Aviation—administration of city/town owned airport~~
 - i. Utility Services:
 1. Water
 2. Wastewater
 3. ~~Electric~~
 4. ~~Gas~~
 5. Storm Water
 6. Trash

Name of Individual Designated by Management to Oversee Non-Attest Services:

Susan Gordon

Title of Individual:

Town of Toddville

Review of Non-Attest Services Performed:

(Management's designee should check each item as it is reviewed.)

Statement of Receipts, Disbursements, and Cash and Investment Balances:

SWG Beginning cash and investments agree with prior year ending balances for each fund and for the total of all funds.

SWG Ending balances are reported correctly for each fund and the total of all funds.

SWG Title of funds are reported correctly for each fund.

Notes to the Financial Statements:

SWG Notes to the financial statements as compiled accurately reflect the governmental unit.

All Statements and Notes:

SWG Fund names are correct. (Fund names will appear as shown in the report.)

SWG Unit name is correct throughout.

As the management designee, I have reviewed the financial statement(s) and the notes to the financial statement(s). These items were prepared by use of our books and records. Our books and records adequately support the financial statement(s) and notes to the financial statement(s) prepared, and accordingly, I approve these items as prepared by the State Board of Accounts. I understand that slight modifications such as spelling, grammatical, and formatting errors may be corrected during the processing of our report by the State Board of Accounts. I acknowledge that the financial statement(s) and the notes to the financial statement(s) are our responsibility. I have determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation.

<u>Susan Gordon</u>
(Insert Name of Designee)
<u>CLERK - TREASURER</u>
(Title)
<u>JUNE 13, 2016</u>
Date